



Straight Talk

Brought to you by the Nellis AFB Housing Privatization Office

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Project Update: Privatization Will Arrive In 2005

Good news for 2005! The housing privatization project has been re-scoped and is back on track. Privatization will take affect tentatively during July–August 2005.

In 2004, the Nellis project encountered several issues that delayed the privatization process. Because none of the real estate developers' proposals met the requirements for the Nellis project, the Nellis Acquisition Support Team (AST) could not justify recommending the selection of any of the proposals for the family housing privatization project. This resulted in a non-selection. Nellis then hosted a Project Development conference to reexamine the project requirements and determine what adjustments would be required to make this project ready to reenter the acquisition process. After a tedious review, adjustments were made to the long-term project scope (not the quality or quantity of housing needed). Modifications to the project requirements were completed and approved, the solicitation process was reengaged, and developers will again submit new proposals based on the project's new requirements.

Although this delay pushed the selection/award process and the possible start of the construction of new homes into 2005, we anticipate that Nellis will be getting a better pool of developers' proposals to choose from. This will result in a much better quality housing development for the military family community.

It will be a very busy spring and summer for the housing office. We will be gearing up for privatization and working with the



Making the transition to privatized housing takes time, but the end result will be worth it. The photo above shows an example of privatized housing.

selected developer (also referred to as the Selected Offeror [SO]) to ensure a seamless transition.

Watch for future project updates and information on the privatization Web site, the Nellis Cable channel, the *Bullseye* and the daily bulletin, or call the privatization management office. Get the facts from one of these reliable sources; don't get caught up in the rumor mill.

In this issue's "Center Stage" section, we will examine what the Nellis AST will be looking for as they evaluate the developers' proposals in the Step 2 process.

Tentative Timetable

Re-Solicit Nellis Project
Jan–Mar 05

Evaluate Developers' Proposals
and Make Selection
Mar–Apr 05 (Tentatively)

Congressional Review Process
May–Jul 05

Transition to Privatization
Aug 05

Center Stage

Step 2 of the Solicitation Process

In the Step 2 phase, developers who have previously submitted an acceptable preliminary proposal in Step 1 are invited to participate in Step 2. The developers have 60 days to submit their Step 2 proposals, which are much more detailed and technical than those submitted in Step 1. The AST is tasked to evaluate these proposals and eventually recommend selection. The Step 2 proposals are based and evaluated on three factors that influence the overall project quality:

- The financial plan
- The design/construction plan
- The property management plan.

A brief summary of each of these factors is as follows:

• Financial Plan

The AST thoroughly examines how well a developer has structured their financing and developed a plan to ensure the long-term viability of the project. This is the most important factor in Step 2 because the developer's ability to fulfill the RFP requirements hinges upon

its ability to obtain sufficient up-front financing and continue to generate revenue to sustain the project long term.

• Design and Construction Plan

The AST assesses the developer's detailed plan for initial development. This includes community layout design and development, housing designs, construction management plans, and construction/demolition schedules.

• Property Management Plan

The AST assesses the developer's plans for long-term operation and maintenance of the housing area. The project life span is 50 years, and the selected developer will assume many of the roles and responsibilities from the Air Force Housing Management Office. The AST evaluates several required plans under the Property Management factor, including plans for unit occupancy, facilities maintenance, utilities management, and reinvestment (to support future construction requirements).

The final selection of a developer will not be made based on the "lowest bidder" concept. The goal is to choose the developer that can provide the Government with the most advantageous proposal and to meet or exceed the requirements of the Nellis project. Once the AST selects the best developer with the most advantageous proposal, it is up to the Nellis AFB senior leadership to approve the recommendation. Once approved at the base level, the recommendation goes through various Air Force reviews before being forwarded to Congress. Once Congress has had an opportunity to review the decision, base activities will begin to transition from military-owned and -operated family housing to developer-owned and -operated housing.



A children's play area is just one of the desired features the AST will look for when evaluating a developer's Design and Construction Plan.

Questions of the Quarter

Frequently Asked Questions
about Privatized Housing



What effect does this delay have if I'm on the waiting list? We do not anticipate any changes to the waiting list. The present waiting list process will remain intact.

When will floor plans for privatized housing become available? Once a developer is selected and approved, community development plans will become available for all to view.

Will I have to move downtown if my existing home is scheduled for demolition? We do not anticipate that any families will be displaced during construction. As new homes and neighborhoods are constructed and completed, residents of areas scheduled to be demolished will be moved into the new area. All this information will be included in the selected developer's construction management plan.

Which areas are going to be demolished? Old Nellis Terrace, Manch Manor, and Dunning Circle will be demolished and replaced by new homes. The Old Nellis Terrace units will be relocated to Parcel "B," and Manch Manor new homes will be located in place of the current Manch Manor homes. New Nellis Terrace and the Senior Officers' Quarters (SOQs) in Manch Manor will remain in place with upgrades. (See Map of Housing Community Locations listed on the Web site.)

What if I do not want to live in privatized housing? It is the military member's choice to reside in privatized housing. Those who choose not to reside in privatized housing will be moved off base at the Government's expense.

For more questions and answers, please review previous issues of "Straight Talk."

Readers are encouraged to submit questions to:

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For more information, visit our
Web page at www.nellis.af.mil.

Who is on the Nellis AST?

The AST is composed of a group of professionals from the Nellis community, ACC, AFCEE, and the Privatization Support Contractor. The team consists of specialists from housing, contracting, finance, legal, engineering, environmental, security forces, real property, and privatization. In addition, the team may call upon other experts from the Nellis community for assistance if needed.

The AST uses the vast expertise of its team members to evaluate all of the developers' proposals and recommend the best proposal received. Each proposal is dissected and examined for adherence to Air Force Privatization guidelines and the requirements of the Nellis Request for Proposal.